

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/CS/SB 6-E

SPONSOR: Appropriations Committee, Commerce, Economic Opportunities, and Consumer Services Committee and Senators Atwater and Klein

SUBJECT: Economic Development

DATE: October 22, 2003 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Cibula</u>	<u>Maclure</u>	<u>CM</u>	<u>Favorable/CS</u>
2.	<u>Kelly</u>	<u>Coburn</u>	<u>AP</u>	<u>Favorable/CS</u>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The committee substitute addresses several economic programs. First, it provides for the creation of the Scripps Florida Funding Corporation, which is to enter into a contract with The Scripps Research Institute, or an entity formed by it, to establish a state-of-the-art biotechnology research institute and campus in this state. The funding for the contract is provided by \$310 million of the \$543.5 million in federal economic stimulus funds provided to Florida under the Jobs and Growth Tax Reconciliation Act of 2003. The Scripps Research Institute must reinvest up to \$155 million to the Biomedical Research Trust Fund from a portion of its revenues generated from royalties and naming rights

Second, it appropriates \$30 million to four economic development programs and \$10 million to universities to support the National High Magnetic Field Laboratory.

This committee substitute creates section 288.955, Florida Statutes, and amends ss. 403.973, and 288.1088, Florida Statutes.

II. Present Situation:

The Scripps Research Institute (TSRI) on October 9, 2003, announced plans to expand its operations by establishing a science facility in Palm Beach County.¹ In its announcement, TSRI said that the institute will focus on biomedical research, technology development, and drug design, and that its decision to expand in Florida is the result of months of discussions with the Governor and state and local officials. At the same time, the Governor proposed to use \$310

¹ *TSRI Plans to Open Major Science Center in Palm Beach County, Florida*, available at http://www.scripps.edu/newsandviews/e_20031013/news.html, last visited October 22, 2003.

million of the economic stimulus funds allocated to Florida by the federal government to finance TSRI's expansion.² Palm Beach County has agreed to provide up to \$200 million to provide TSRI with satisfactory land, temporary facilities, and permanent laboratory facilities for new operations in the county.³

The Scripps Research Institute⁴

The Scripps Research Institute is one of the world's largest private, non-profit biomedical research organizations in the world. It is located in La Jolla, California, a suburb of San Diego. Its existing facilities include 14 laboratory buildings with more than 1 million square feet of space. The TSRI's staff includes more than 270 professors, 800 postdoctoral fellows, 1,500 laboratory technicians, administrative and support personnel, and 126 Ph.D. students.

The Scripps Research Institute's facilities contain a variety of computers, including a Cray supercomputer. Research is further supported by X-ray crystallography laboratories, high performance NMR spectrometry including a 900 MHz instrument, electron microscopy, optical spectroscopy, a centralized DNA sequencing laboratory, and a fluorescence activated cell sorting facility.

Researchers at TSRI focus primarily on the following seven fields of study: cell biology, chemistry, immunology, molecular biology, molecular and experimental medicine, neurobiology, and neuropharmacology. According to TSRI, its researchers are actively investigating biological and chemical aspects of more than 40 diseases, including AIDS, alcoholism, Alzheimer's disease, cancer, dementia, depression, diabetes, genetic diseases, Sjogren's syndrome, sleep disorders, and diseases involving neural and muscular degeneration.

TSRI also maintains several education outreach programs including the High School Student Research Education Program; the Middle/High School Science Teacher Summer Research Program; and the Undergraduate Summer Research Internship Program.

The majority of the TSRI's approximately \$280 million operating budget comes from grants from the National Institutes of Health and other federal agencies, through collaborative partnerships with pharmaceutical companies, and through philanthropic support from foundations, health-related associations, and individuals. In addition, funding is derived from licensing technology to private industry.

More information about TSRI and its staff and scientific research is available on the institute's website, <http://www.scripps.edu>.

² Governor Jeb Bush, *Florida's New Frontier*, October 8, 2003.

³ Audio tape of an emergency meeting of the Palm Beach County Board of County Commissioners on October 14, 2003.

⁴ The information in this section of the staff analysis is a compilation of information from promotional materials and the website of The Scripps Research Institute.

Projected Economic Impact

The Governor's office released a report estimating the economic impact of the creation of a branch of The Scripps Research Institute (TSRI) in Florida.⁵ The report, prepared by a private economic consulting firm, contains economic impact statistics of the Florida Institute, as well as the economic impact of a biotech/pharmaceutical technology cluster that may develop around the new TSRI facility.

The report summarizes the potential economic impact of a Florida branch of TSRI as:

- An average of 2,777 new employment positions during the first 15 years of operation, but the employment impact grows steadily over the period and by the 15th year the direct, indirect and induced economic impacts support nearly 6,500 jobs.
- Additional labor income that averages \$106 million per year over the first 15 years, and provides total additional income of \$1.6 billion for the entire 15-year period.
- Additional state and local revenues (from the resulting expansion in economic activity) of \$211 million over the entire 15-year period.
- Additional Gross State Product ... of \$3.2 billion over the first 15-year period.⁶

Independent analysis by Florida Senate staff and staff of the Office of Economic and Demographic Research largely supports the findings of the Washington Economics Group. Estimates of total employment impacts in the 15th year vary from 5,722 to 6,499 additional jobs. Estimates of additional labor income over the 15 year period range from approximately \$1.5 to \$2.0 billion. Finally, estimated additional state and local tax revenues over the 15 year period range from \$164 to \$217 million.

Jobs and Growth Tax Reconciliation Act of 2003

The federal Jobs and Growth Tax Reconciliation Act of 2003 (the Act) disbursed \$20 billion to the states for temporary fiscal relief.⁷ These funds are commonly referred to as the federal economic stimulus funds. Florida's share of these funds is \$947,568,000.⁸ Under s. 401(a) of the Act, \$404,085,000 of the economic stimulus funds must be used to increase the federal medical assistance percentage (FMAP). Under s. 401(b) of the Act, the remaining \$543,483,000 the economic stimulus funds must be used to provide "essential government services" and may only be used for the "types of expenditures permitted under the most recently approved budget for the State."⁹ The Act does not define what an "essential government service" is or the "types of

⁵ J. Antonio Villamil and Robert D. Cruz, The Washington Economics Group, Inc., *The Economic Impact of Scripps Florida Biotech Research Institute*, October 9, 2003.

⁶ Villamil and Cruz, *supra* note 5 at p. 2.

⁷ Jobs and Growth Tax Reconciliation Act of 2003, Pub. L. No. 108-27, s. 401(b).

⁸ Federal Funds Information For States, *Issue Brief 03-28: Some Questions and Answers on Fiscal Relief*, May 30, 2003, p. 5.

⁹ Section 401 of the Act states in part:

expenditures permitted under the most recently approved budget for the State.” No penalty is provided in the Act for the unauthorized use of the economic stimulus funds.

Florida’s Health and Biotechnology Environment

According to materials from BioFlorida, a trade association of Florida biotechnology industries:

Florida is the nation’s fourth largest populated state and is third in consumption of pharmaceutical products. The Florida health and biotechnology industry encompasses all entities operating in the state whose business activities involve life science, including medical research and discovery, device and pharmaceutical manufacturing, education, service, and the manufacture and sale of related products.

The University of Florida is the largest research facility in the Southeast. The University of Miami School of Medicine's medical center is ranked fifth in the nation in sponsored research. The University of Florida is ranked 19th in the receipt of biomedical research and development funding. Technology Transfer Business Magazine has ranked both universities in the top 25 with licenses linked to new research funding.¹⁰

According to statistics compiled by Enterprise Florida, Inc., 605,680 people were employed in the state’s life sciences industries, earning an average wage of \$40,566 in 2001. (See the table below for additional information.)

Description	Companies	Employees	Average Annual Wage	Total Payroll (\$ millions)
Research and Development in the Physical, Engineering, and Life Sciences	601	10,254	\$63,777	\$654
Pharmaceutical and Medicine Manufacturing	89	4,272	\$53,638	\$229.1
Medical Device Manufacturing	1,016	23,194	\$40,848	\$947.4
Health Care	30,421	567,960	\$40,038	\$22,739.7
Total all Life Sciences	32,127	605,680	\$40,566	\$24,570.2

(d) USE OF PAYMENT-

(1) IN GENERAL- Subject to paragraph (2), a State shall use the funds provided under a payment made under this section for a fiscal year to--

(A) provide essential government services; or

(B) cover the costs to the State of complying with any Federal intergovernmental mandate (as defined in section 421(5) of the Congressional Budget Act of 1974) to the extent that the mandate applies to the State, and the Federal Government has not provided funds to cover the costs.

(2) LIMITATION- A State may only use funds provided under a payment made under this section for types of expenditures permitted under the most recently approved budget for the State.

(e) CERTIFICATION- In order to receive a payment under this section for a fiscal year, the State shall provide the Secretary of the Treasury with a certification that the State's proposed uses of the funds are consistent with subsection (d).

¹⁰ BioFlorida, *Florida’s Health and Biotechnology Environment*, available at <http://www.bioflorida.com/insert.php?filnavn=about.html>, last visited October 22, 2003.

Source: Enterprise Florida, Inc., Florida's Life Sciences Industry, Companies, Employment, and Wages, 2001.

Biomedical Research Trust Fund

The Biomedical Research Trust Fund is administered by the Department of Health for the purpose of funding the James and Esther King Biomedical Research Program from proceeds of the settlement of tobacco litigation.¹¹ The James and Esther King Biomedical Research Program funds grants and fellowships for research relating to the prevention, diagnosis, and treatment of diseases related to tobacco use, including cancer, cardiovascular disease, stroke and pulmonary disease. Section 20.435(1)(h)3., F.S., provides that the Biomedical Research Trust Fund will be terminated July 1, 2004.

Expedited Permitting

Section 403.973, F.S., creates an expedited permitting and comprehensive plan amendment process for certain economic development projects. Under the expedited permitting process, regional permit action teams review permit applications and comprehensive plan amendments submitted by businesses creating at least 100 jobs or at least 50 jobs in certain rural areas, on the request of a county or municipality for businesses creating at least 10 jobs, and businesses in brownfield areas.

Administrative Hearings

Challenges to expedited permitting are authorized under s. 120.574, F.S. Such challenges to expedited permitting upon agreement of the parties may be held in a summary proceeding within 30 days of the agreement.

Quick Action Closing Fund

In 1999, the Legislature created the Quick Action Closing Fund (QACF) within the Governor's Office of Tourism, Trade, and Economic Development (OTTED). This economic incentive was created in response to finding that serious international competition existed for high-impact business facilities, and that, because at times all available resources for economic development had been used, the state continued to encounter severe competitive disadvantages in vying for these business facilities.¹² The purpose of the QACF is to help Florida compete for high-impact business facilities, critical private infrastructure in rural areas, and key businesses in economically distressed urban or rural communities.¹³

When Enterprise Florida, Inc., (EFI) evaluates proposals for QACF moneys and makes recommendations to OTTED, it must include the following information:

- A description of the nature of the business and its products or services;
- An estimate of the number of jobs expected to be created and the annual average wages of the jobs;

¹¹ See ss. 20.435(1)(h), 215.5601, and 215.5602, F.S.

¹² Section 105, ch. 99-251, L.O.F.; s. 288.1088(1)(a), F.S.

¹³ Section 288.1088(1)(b), F.S.

- A description of the cumulative amount of investment to be dedicated to the facility within a specified period;
- A statement of the impacts of the business at the regional or state level or upon the state's universities and community colleges; and
- A statement of the role the incentive is expected to play in the business' decision to locate or expand in the state or for a private investor to provide critical rural infrastructure.¹⁴

Once EFI makes its evaluation and recommendation to OTTED, the director of OTTED must make a recommendation of approval or disapproval to the Governor. OTTED must also provide the Governor with proposed performance conditions the project must meet to obtain the incentive funds.¹⁵

The Governor must consult with the President of the Senate and the Speaker of the House of Representatives before giving final approval for using the QACF for the project. Once approved by the Governor, OTTED enters into a contract with the business and establishes the conditions for the payment of moneys from the QACF. The contract must include the following components:

- The total amount of funds awarded;
- The performance conditions that must be met to obtain the award, including, but not limited to, net new employment in the state, average salary, and total capital investment;
- A demonstration of a baseline of current service and a measure of enhanced capability;
- The methodology for validating performance;
- The schedule of payments from the fund; and
- Sanctions for failure to meet performance conditions.¹⁶

EFI is responsible for validating the performance of the contract and reporting to the Governor and the Legislature within six months after contract completion.¹⁷

Prior to the 2003 legislative session, the QACF contained language that required approval of the release of funds for a project pursuant to the legislative consultation and review requirements in s. 216.177, F.S. During that session, the Legislature removed this requirement. In addition, the Legislature added language to the QACF stating that the Governor may, in an emergency or special circumstance, and in consultation with the President of the Senate and the Speaker of the House of Representatives, reallocate unencumbered funds appropriated to the QACF to supplement statutorily created economic development programs and operations. The additional language required the Executive Office of the Governor to recommend approval of the transfer

¹⁴ Section 288.1088(3)(a), F.S.

¹⁵ Section 288.1088(3)(b), F.S.

¹⁶ Section 288.1088(3)(c), F.S.

¹⁷ Section 288.1088(3)(d), F.S.

and release of these funds pursuant to the legislative consultation and review requirements in s. 216.177, F.S.¹⁸

According to EFI's 2002 incentives report, the QACF was recommended and approved for five projects in FY 2002.¹⁹ Four of these projects entered into a contract for QACF moneys (one project selected another state) in exchange for making new capital investments of \$265 million, creating 1,400 new jobs with an average annual wage of \$40,136, and retaining 3,500 existing jobs.

Since the inception of the QACF, there have been a total of eight approved active projects with capital investments of \$416 million and 7,100 created or retained jobs with an average annual wage of \$47,252. No funds were appropriated to the QACF by the Legislature for FY 02-03 or FY 03-04.

III. Effect of Proposed Changes:

The committee substitute provides for the creation of the Scripps Florida Funding Corporation (funding corporation) to enter into a contract with The Scripps Research Institute (TSRI), or an entity formed by it, to establish a state-of-the-art biotechnology research campus in this state. The funding for the contract is provided by a \$310 million appropriation in the bill from the \$543.5 million in federal economic stimulus funds provided to Florida under the Jobs and Growth Tax Reconciliation Act of 2003.

Flow of Funds

The committee substitute provides that the Office of Tourism, Trade, and Economic Development (OTTED) will be the initial recipient of the \$310 million appropriation and will disburse the funds to the funding corporation pursuant to a funding agreement. The purpose of the Scripps Florida Funding Corporation (funding corporation) is to receive a lump-sum payment of \$310 million guaranteeing that a funding source will be available for period disbursements to TSRI's Florida operation over a seven-year period. Undisbursed funds held by the funding corporation will be invested by the State Board of Administration. In the event that no agreement is reached between the funding corporation and TSRI by March 15, 2004, or in the event that the contract between the funding corporation and TSRI is terminated, the funds will revert to the General Revenue Fund.

Governance of Funding Corporation

The committee substitute authorizes the funding corporation as a private, not-for-profit corporation. The board of directors of the funding corporation will consist of nine voting members. The Governor, the President of the Senate, and the Speaker of the House of Representatives will appoint three board members each. The director of OTTED will serve as an ex-officio non-voting member. The chair and vice chair of the board will be selected from among the board members. The board members will be appointed for staggered four-year terms. The

¹⁸ Section 288.1088(4), F.S.

¹⁹ Enterprise Florida, Inc., *2002 Incentives Report*, pp. 25-26.

Governor, the President of the Senate, and the Speaker of the House of Representatives will fill vacancies on the board based on who initially appointed the board member creating the vacancy. Board members serve at the pleasure of the officer appointing the member. The corporation is subject to public records laws and public meeting laws in chs. 119 and 286, F.S., respectively.

Certain board decisions, including approval of a contract with TSRI and contract amendments must be approved by seven of the nine board members. Other board decisions will require approval by five board members or by simple majority vote of a quorum. Board members will not be authorized to vote by proxy. Board members, however, are authorized to vote if they are in attendance at the board meeting in person or through means of electronic communication. OTTED will provide administrative services and support to the funding corporation upon request.

Accountability of Funding Corporation Members

Each board member has a fiduciary duty to the people of the state to ensure that the funds disbursed to the board are used as prescribed by law and the contract with TSRI. Each board member must also file a disclosure of financial interests. Board members are prohibited from having a material relationship with TSRI for a period of five years before to five years after serving as a member of the board. The existence of a prohibited relationship is a first-degree misdemeanor. The board members serve without compensation.

Required Contract/Statutory Provisions

The committee substitute specifies that, at a minimum, the contract between the funding corporation and TSRI must contain certain provisions and the committee substitute also prescribes certain statutory requirements:

- A schedule for the disbursement of funds.
- Requirement for the submission of a strategic plan.
- A prohibition of the establishment of TSRI research facilities outside of Florida or California for the lesser of 15 years or until the repayment of funds owed to the state.
- Requirements for Florida residents to be given preference in hiring decisions.
- Requirements that TSRI be an equal opportunity employer.
- Requirements that TSRI comply with the Office of Supplier Diversity contracting requirements and local ordinances.
- A requirement that TSRI participate in recruitment activities in at least seven public universities and seven community colleges in the state, as well as the University of Miami and Florida's historically black institutions, every year for the duration of the contract.
- A requirement that TSRI advertise employment opportunities on the Agency for Workforce Innovation website.
- A requirement that TSRI make purchases from Florida vendors when cost effective.

- A requirement that TSRI use its best efforts to collaborate with research institutions and public and private post secondary institutions in the state, as well as the University of Miami and Florida's historically black institutions.
- A requirement that TSRI establish accredited science degree programs.
- A requirement that TSRI create internship programs for educators, high school students, and undergraduate and graduate students.
- A requirement to produce annual reports accounting for the use of state funds and progress toward meeting performance measures.
- A requirement that Scripps must create a specific number of jobs per year within 25 percent of the requirement. Scripps, however, must have no fewer than 545 positions by the end of the seventh year.
- A requirement that at least \$45 million of the funds disbursed be used for the purchase of equipment and the maintenance of equipment.
- An authorization for the Office of Program Policy Analysis and Government Accountability to inspect TSRI's records.
- A requirement for TSRI to maintain liability insurance.
- A limitation on the expenditure of state funds outside Florida.
- A requirement that TSRI use at least 20 percent of all its non-state research dollars in Florida by 2011.
- A prohibition on the use of state funds to lobby the state or its political subdivisions.
- Provisions requiring that in the event of contract termination, property purchased with state funds reverts to the state and that property purchased with county funds reverts to the county.
- Provisions requiring the grantee to reinvest a portion of certain revenues in the Biomedical Research Trust Fund of the Department of Health.
- Provisions governing the return of undisbursed funds in the event of a breach of contract.
- Provisions for the reduction or elimination of funding if TSRI fails to continue operating in this state or is in material breach or default of the contract.
- Provisions authorizing funding to maintain TSRI's current operations as the result of a force majeure event.
- Provisions requiring TSRI to report annually to the funding corporation on its attainment of performance measures.

Performance Measures

The contract between the funding corporation and TSRI may also contain the following performance measures:

- Minimum employment and average salary requirements.
- Research grants obtained from sources other than the State of Florida.
- Partnerships with OTTED and local agencies.
- National recognition of graduate programs.
- Equipment purchased.

- Graduate student placements.
- Summer intern programs.
- Programs for adjunct professors.
- Joint graduate programs.
- Open access to qualified science projects.
- Collaboration with research institutions and colleges and universities in this state, including but not limited to the University of Miami and the historically black institutions.
- Other performance measures required by the funding corporation.

Funding Corporation's Reporting Requirements

By December 1 of each year, the funding corporation must provide an annual report to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The annual report must include the following information.

- A description of the corporation's activities regarding the management and enforcement of the contract with TSRI.
- An accounting of funds disbursed and the satisfaction of deliverables in the contract.
- An accounting of the funding corporation's funds.
- TSRI's job-creation statistics in Florida.
- A description of economic activity generated by TSRI's activities in Florida.
- Assessment of TSRI's achievement of the projected return on investment to the state.
- A financial audit report of TSRI regarding its expenditures of state funds conducted by an independent certified public accountant.
- A compliance and financial audit of the funding corporation's accounts and records conducted by an independent certified public accountant in accordance with the rules of the Auditor General.
- An assessment of TSRI's achievement of performance measures.

Legislative Oversight of Funding Corporation

The committee substitute proposes that the funding corporation will be overseen by a Joint Legislative Committee on Biomedical Investment Oversight. The joint committee will be comprised of three senators and three members of the House of Representatives. The joint committee will monitor the funding corporation's contract with TSRI and other issues related to biotechnology, health, and science.

Reinvestment of Funds

The Scripps Research Institute must reinvest up to \$155 million to the Biomedical Research Trust Fund from a portion of its revenues generated from royalties and naming rights. The payments from royalty revenues will be equal to 15 percent of all royalties generated from Florida activities during the 20 period after a contract is executed with the funding corporation.

These payments will begin six months after TSRI receives its final disbursement from the funding corporation. Payments equal to 15 percent of the proceeds for naming rights at the Florida facility will begin upon contract execution.

Timetable

The Governor, the President of the Senate, and the Speaker of the House of Representatives must make initial appointments to the board by November 30, 2003. At least two weeks before the contract between TSRI and the funding corporation may be executed, the contract and TSRI's organizational plan for the establishment of a biotechnology research campus must be submitted to the Governor, the President of the Senate, and the Speaker of the House of Representatives. Upon the execution of a contract between the funding corporation and TSRI, OTTED must disburse the \$310 million appropriation to the funding corporation. The funding corporation and TSRI have until March 15, 2004, to negotiate and execute a contract with the requisite performance measures and contract provisions. Disbursements from the funding corporation to TSRI will be made over a seven-year period beginning in the 2004 calendar year. The disbursement of all funds payable to TSRI under the contract must be completed by December 31, 2010. Any undisbursed funds remaining after December 31, 2010, must be paid to the Biomedical Research Trust Fund of the Department of Health.

State and Funding Corporation Liability

The committee substitute provides that the disbursement of funds is not a debt or liability of the state. The committee substitute further provides that the disbursement of funds will not subject the state or the funding corporation to liability related to the research activities and research products of TSRI.

OPPAGA Audits

By January 1, 2006, and January 1, 2008, the Office of Program Policy Analysis and Government Accountability must conduct a performance audit of OTTED, the funding corporation, and TSRI. The audits must address the following issues:

- OTTED's oversight of funds appropriated to fund TSRI.
- The funding corporation's performance in managing and enforcing the contract with TSRI.
- The funding corporation's compliance with the law authorizing funding for TSRI and its contract with TSRI.
- TSRI's performance under the contract.
- Economic activity generated by funding provided to TSRI through the contract with the funding corporation.
- Interaction between TSRI and state educational institutions.

The audit report due by January 1, 2008, shall also recommend whether the Legislature should retain statutory authority for the funding corporation.

Expedited Permitting and Administrative Challenges

The committee substitute expressly provides that the construction of the TSRI Florida facility is entitled to expedited permitting under s. 403.973, F.S. Challenges to permitting decisions must be held within 30 days of a party's request for a summary proceeding.

National High Magnetic Field Laboratory

The committee substitute appropriates \$10 million to Florida State University and the University of Florida for infrastructure improvements to the National High Magnetic Field Laboratory.

Military Base Retention Grants Program

The committee substitute appropriates \$5 million to the Office of Tourism, Trade, and Economic Development for the Military Base Retention Grants Program.

Entertainment Financial Incentive Program

The committee substitute appropriates \$10 million to the Office of Tourism, Trade, and Economic Development for the Entertainment Industry Financial Incentive Program.

Rural Economic Development

The committee substitute appropriates \$3 million for the Rural Infrastructure Fund and \$2 million for the Rural Community Development Revolving Loan Fund to Office of Tourism, Trade, and Economic Development.

Quick Action Closing Fund

Under the committee substitute, in order to use the Quick Action Closing Fund, the Governor must submit to the Legislature a recommendation for approval of a project and a budget amendment releasing the funds for the project, pursuant to the consultation and review requirements of s. 216.177, F.S.

The committee substitute appropriates \$10 million to the Office of Tourism, Trade, and Economic Development for the Quick Action Closing Fund.

Effective Date

The committee substitute takes effect upon becoming a law.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

The committee substitute specifies that the Scripps Florida Funding Corporation is subject to the provisions of s. 24, Art. I, of the State Constitution and ch. 119, F.S., relating to public records, and ch. 286, F.S., relating to public meetings.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

The Scripps Research Institute will receive funding for facilities and initial staffing for a state-of-the-art biotechnical research campus in Palm Beach County.

Other private entities may be eligible to receive economic development grants from the programs receiving appropriations.

C. Government Sector Impact:

The committee substitute appropriates a total of \$350 million as detailed below.

The committee substitute provides an appropriation of \$310 million to the Office of Tourism, Trade, and Economic Development from funds provided to the state under the federal Jobs and Growth Tax Reconciliation Act of 2003.

The committee substitute appropriates \$10 million to Florida State University (\$7.5 million) and the University of Florida (\$2.5 million) for infrastructure improvements to the National High Magnetic Field Laboratory.

The committee substitute appropriates \$5 million to the Office of Tourism, Trade, and Economic Development for the Military Base Retention Grants Program.

The committee substitute appropriates \$10 million to the Office of Tourism, Trade, and Economic Development for the Entertainment Industry Financial Incentive Program.

The committee substitute appropriates \$3 million for the Rural Infrastructure Fund and \$2 million for the Rural Community Development Revolving Loan Fund to Office of Tourism, Trade, and Economic Development.

The committee substitute appropriates \$10 million to the Office of Tourism, Trade, and Economic Development for the Quick Action Closing Fund.

The Office of Tourism, Trade, and Economic Development will be required to provide administrative support to the Scripps Florida Funding Corporation (funding corporation) upon request.

Board members of the funding corporation will be required to organize a not-for-profit corporation, negotiate a \$310 million contract with The Scripps Research Institute (TSRI), disburse funds, monitor and enforce compliance with the contract, and provide annual reports to the Governor and Legislature. The board is authorized to spend up to \$200,000 per year from the \$310 million to hire or contract for staff to assist it with its responsibilities.

The State Board of Administration will be required to contract with the funding corporation for the investment of funds not disbursed to TSRI.

The Board of the Palm Beach County Commission has agreed to spend up to \$200 million to provide TSRI with temporary facilities, land, and permanent laboratory facilities.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.